

House Engrossed Senate Bill

**FILED**

**JANICE K. BREWER  
SECRETARY OF STATE**

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

**CHAPTER 81**

# **SENATE BILL 1138**

AN ACT

AMENDING TITLE 33, CHAPTER 9, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING  
SECTION 33-1252.01; RELATING TO CONDOMINIUMS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 33, chapter 9, article 3, Arizona Revised Statutes,  
3 is amended by adding section 33-1252.01, to read:

4 33-1252.01. Conveyance of certain real property

5 A. REAL PROPERTY THAT IS HELD AS AN ASSET OF THE ASSOCIATION AND THAT  
6 IS NOT HELD AS A COMMON ELEMENT OF THE CONDOMINIUM MAY BE CONVEYED BY THE  
7 ASSOCIATION IF PERSONS ENTITLED TO CAST AT LEAST EIGHTY PER CENT OF THE VOTES  
8 IN THE ASSOCIATION, OR ANY LARGER PERCENTAGE THE DECLARATION SPECIFIES, AGREE  
9 TO THE CONVEYANCE IN THE MANNER PRESCRIBED IN SUBSECTION B.

10 B. AN AGREEMENT TO CONVEY REAL PROPERTY THAT IS HELD AS AN ASSET OF  
11 THE ASSOCIATION AND THAT IS NOT HELD AS A COMMON ELEMENT OF THE CONDOMINIUM  
12 SHALL BE EVIDENCED BY THE EXECUTION OF AN AGREEMENT, OR RATIFICATIONS OF THE  
13 AGREEMENT, IN THE SAME MANNER AS A DEED AND BY THE REQUISITE NUMBER OF UNIT  
14 OWNERS. THE AGREEMENT SHALL SPECIFY A DATE AFTER WHICH THE AGREEMENT WILL BE  
15 VOID UNLESS PREVIOUSLY RECORDED. THE AGREEMENT AND ALL RATIFICATIONS OF THE  
16 AGREEMENT SHALL BE RECORDED IN EACH COUNTY IN WHICH A PORTION OF THE  
17 CONDOMINIUM IS SITUATED AND ARE EFFECTIVE ONLY ON RECORDATION.

18 C. THE ASSOCIATION, ON BEHALF OF THE UNIT OWNERS, MAY CONTRACT TO  
19 CONVEY THE REAL PROPERTY BUT THE CONTRACT IS NOT ENFORCEABLE AGAINST THE  
20 ASSOCIATION UNTIL APPROVED PURSUANT TO SUBSECTIONS A AND B. THEREAFTER, THE  
21 ASSOCIATION HAS ALL POWERS NECESSARY AND APPROPRIATE TO EFFECT THE  
22 CONVEYANCE, INCLUDING THE POWER TO EXECUTE DEEDS OR OTHER INSTRUMENTS.

23 D. EXCEPT AS PERMITTED IN THIS CHAPTER, ANY PURPORTED CONVEYANCE OR  
24 OTHER VOLUNTARY TRANSFER OF REAL PROPERTY IS VOID.

25 E. A CONVEYANCE OF REAL PROPERTY PURSUANT TO THIS SECTION DOES NOT  
26 AFFECT THE PRIORITY OR VALIDITY OF PREEXISTING ENCUMBRANCES.

27 F. PROPERTY AN ASSOCIATION ACQUIRES IN AN ASSESSMENT LIEN FORECLOSURE  
28 ACTION SHALL NOT BE CONSIDERED REAL PROPERTY HELD AS AN ASSET OF THE  
29 ASSOCIATION FOR THE PURPOSE OF THIS SECTION.

**APPROVED BY THE GOVERNOR APRIL 10, 2006.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 10, 2006.**